VZCZCXRO2124 OO RUEHAG RUEHBI RUEHCI RUEHLH RUEHPW RUEHROV DE RUEHAH #0417/01 0941139 ZNY SSSSS ZZH O 031139Z APR 08 FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC IMMEDIATE 0543 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY RUCNCIS/CIS COLLECTIVE PRIORITY RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY RUEHAK/AMEMBASSY ANKARA PRIORITY 3583 RUEHBJ/AMEMBASSY BEIJING PRIORITY 1401 RUEHKO/AMEMBASSY TOKYO PRIORITY 1268 RUEHIT/AMCONSUL ISTANBUL PRIORITY 1837 RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RUEHBS/USEU BRUSSELS PRIORITY RUEHVEN/USMISSION USOSCE PRIORITY 2381

S E C R E T SECTION 01 OF 02 ASHGABAT 000417

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STATE FOR SCA/CEN, EEB PLEASE PASS TO USTDA DAN STEIN ENERGY FOR EKIMOFF/THOMPSON COMMERCE FOR HUEPER

E.O. 12958: DECL: 04/03/2028

TAGS: PGOV PREL EPET EU RS IR AJ TX

SUBJECT: TURKMENISTAN ENERGY: EU TROIKA, LONDON CONFERENCE

REF: A. WRIGHT-HOAGLAND E-MAIL DTD 04/02/08

¶B. BAKU 0225 (NOTAL)

¶C. ASHGABAT 0295

Classified By: CDA RICHARD E. HOAGLAND: 1.4 (B), (D)

- 11. (S) SUMMARY: As evidenced by the cancelled energy session during the upcoming EU Troika Central Asian Ministerial in Ashgabat (ref A), Turkmenistan is increasingly skittish, even secretive, about discussing Caspian energy issues where it cannot strictly control the agenda and content of the discussion. During the Putin-Berdimuhamedov extended pull-aside in Moscow on February 21 (ref B), Putin might have warned the Turkmen president against anything energy trans-Caspian and offered him security guarantees. Following his own path, Berdimuhamedov may be trying to have it all ways: pursue trans-Caspian options but keep it as far below the radar as possible and eschew any multilateral energy discussion. The upcoming April 17-18 international conference in London, "Oil and Gas in Turkmenistan," is not an anomaly -- it's Turkmenistan's conference. Ashgabat contracted with the event planner and controls the topics and choice of speakers. END SUMMARY.
- 12. (C) Charge met with EU-TACIS Adviser Michael Wilson (protect throughout) on April 3 to ask why Turkmenistan has cancelled the session to discuss energy during the April 9-10 EU Troika Central Asian Ministerial in Ashgabat. According to Wilson, during the early planning stages for the Troika Ministerial, Turkmenistan provisionally accepted a side-session on Caspian energy. When Ashgabat learned the EU presidency, Slovenia, had scheduled an Institute for Strategic Studies conference in Ljubljana, "Caspian Trends," for April 10, Turkmenistan went through the roof because it had not been consulted in advance. Foreign Minister Rashid Meredov made clear Turkmenistan did not endorse the conference, and sent a letter to Brussels advising that the Government of Turkmenistan viewed the energy session at the

Ashgabat Ministerial as "inappropriate." The Slovene Foreign Minister pressed back, via the French Embassy in Ashgabat, which represents the EU presidency. This led to a formal diplomatic note from Ashgabat to Brussels declining to accept the energy meeting on the Troika Ministerial agenda and adding the timing, in any case, would not work since Deputy Prime Minister Tachberdi Tagiyev and other energy officials would be out of the country during the Troika.

13. (C) On April 2, the official Government of Turkmenistan website announced Tagiyev and Hydrocarbon State Agency Director Bayrammurad Muradov and others would be in Paris on April 10 to discuss energy and other issues. According to Wilson, the French have been eager to increase their bilateral relationship with Turkmenistan, and Ashgabat saw this was a convenient time so Tagiyev and other officials could justifiably be out of the country. Wilson added French Ambassador Christian Lechervy, with whom he had just met, is not briefing the Paris schedule or agenda to his colleagues.

MOSCOW'S CARROT AND STICK?

14. (S) When Charge asked why the Turkmen have become so sensitive and secretive about energy issues, Wilson answered, "Russia." He alleged the turning point was the CIS Informal Summit in Moscow where President Putin and President Berdimuhamedov had an unscheduled but extended pull-aside during a cultural event(ref B). Wilson claimed he has an impeccable source in Moscow who told him Putin warned Berdimuhamedov in no uncertain terms, "No bilateral deals in the Caspian without Russian approval," and then sweetened the warning by verbally guaranteeing Berdimuhamedov's security

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against internal unrest and external plotting, and Turkmenistan's security against Iran. Wilson speculated Berdimuhamedov, nevertheless, is inching forward with Azerbaijan on Caspian energy cooperation, but wants to keep it as far below the radar as possible.

"OIL AND GAS IN TURKMENISTAN" CONFERENCE IN LONDON

- 15. (C) In a separate meeting on April 3, U.K. Ambassador Peter Butcher confirmed to Charge Wilson's version of why the energy session was removed from the EU Troika agenda for April 9-10 in Ashqabat.
- 16. (C) About the April 17-18 "Oil and Gas in Turkmenistan" conference in London, Butcher clarified it is a Government of Turkmenistan conference. Ashgabat hired IBC Global Conferences as the event planner. (COMMENT: This explains why Turkmenistan is able to clear who does or does not speak at the conference. END COMMENT.) As planned in Fall 2007 during UK Energy Envoy Malcolm Wick's visit to Ashgabat, senior Turkmen energy officials will participate in a "study tour" (that has now been shortened by one day) April 14-16 and then attend the April 17-18 conference. A second group of Turkmen energy technocrats will arrive in the UK April 19 for a more detailed, one-week study tour.
- 17. (C) Butcher opined the Turkmen are increasingly uncomfortable in any energy discussion they do not control and that might have an element of multilateralism. He added, "And they seem to be getting nervous about any position that would imply their public interest in moving forward on anything trans-Caspian."
- 18. (S) COMMENT: If Putin both read the Caspian riot act and offered Berdimuhamedov various security guarantees on February 21, that might explain Berdimuhamedov's and Meredov's cooler shoulders toward Coordinator for Eurasian Energy Diplomacy Ambassador Steven Mann on February 28 (ref C). It could be possible that Ashgabat and Baku are inching forward toward joint commercial exploitation of Caspian resources even before achieving bilateral delimitation, as some Embassy Baku reporting as suggested. If so,

Berdimuhamedov is walking a high-wire over Niagra Falls. But at this point we can only speculate as we try to analyze from the bits and pieces we have. END COMMENT. HOAGLAND